

# CITY OF HOUSTON

**Annise D. Parker**

Mayor

P.O. Box 1562  
Houston, Texas 77251-1562

Telephone – Dial 311  
[www.houstontx.gov](http://www.houstontx.gov)  
<http://purchasing.houstontx.gov>

March 26, 2014

**SUBJECT:** Letter of Clarification No. 1  
Underwriting Services

**REFERENCE:** RFI No.: S33-Q24978

**TO:** All Prospective Respondents

This Letter of Clarification is issued for the following reasons:

1. To replace pages 5 and 6 in their entirety and replace with the attached pages 5, 6 and 7, marked "Revised March 26, 2014.

When issued, Letter(s) of Clarification shall automatically become a part of the solicitation documents and shall supersede any previous specification(s) and/or provision(s) in conflict with the Letter(s) of Clarification. All revisions, responses, and answers incorporated into the Letter(s) of Clarification are collaboratively from both the Strategic Purchasing Division and the applicable City Department(s). It is the responsibility of the respondent to ensure that it has obtained all such letter(s). By submitting a proposal on this project, respondents shall be deemed to have received all Letter(s) of Clarification and to have incorporated them into their proposals.

If you have any questions or if further clarification is needed regarding this solicitation, please contact me.

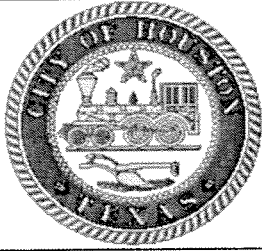
Sincerely,

A handwritten signature in cursive script, reading "Conley Jackson", followed by a horizontal line.

Conley Jackson  
Senior Procurement Specialist  
Strategic Purchasing Division  
832-393-8733

srd

**END OF LETTER OF CLARIFICATION 1**



**CITY OF HOUSTON**  
**Underwriting Services**  
**NOTICE OF REQUEST FOR INFORMATION**  
**Q24978**

**STRATEGIC  
PURCHASING DIVISION**  
901 Bagby Street, Concourse  
Level  
Houston, Texas 77002

**MARKETING ESTIMATE:**

~~Please provide your firm's estimate of coupons, indicative yields, and takedowns reflecting rates as of Friday March 28<sup>th</sup>. The City will use at least two ratings from Standard & Poor's, Moody's or Fitch Ratings. Assume an "AA" rating from Standard & Poor's, an "Aa2" rating from Moody's, and an "AA" from Fitch Ratings without the use of insurance. This is the anticipated, subject to change amortization with respect to par amount and maturity and is exclusive of any refunding bonds.~~

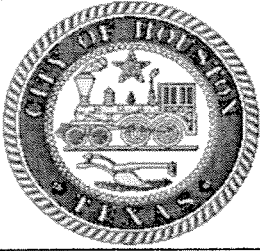
Please provide your firm's estimate of coupons, indicative yields, and takedowns reflecting rates as of Friday March 28<sup>th</sup>. The City will use at least two ratings from Standard & Poor's, Moody's or Fitch Ratings. Assume an "AA" rating from Standard & Poor's, an "Aa2" rating from Moody's, and an "AA" from Fitch Ratings without the use of insurance. Also assume that the designation to the lead underwriter is 50%. This is the anticipated structure, subject to change in amortization with respect to par amount and maturity dates, and is exclusive of any refunding bonds.

City of Houston Combined Utility System Debt  
\*\*\*Preliminary; For Discussion Purposes Only\*\*\*

Maturity	Principal \$(1)	Coupon	Indicative Yields	Takedown
11/15/2015	3,385,000			
11/15/2016	3,560,000			
11/15/2017	3,745,000			
11/15/2018	3,935,000			
11/15/2019	4,135,000			
11/15/2020	4,350,000			
11/15/2021	4,570,000			
11/15/2022	4,805,000			
11/15/2023	5,050,000			
11/15/2024	5,310,000			
11/15/2025	5,585,000			
11/15/2026	5,870,000			
11/15/2027	6,170,000			
11/15/2028	6,485,000			
11/15/2029	6,820,000			

1 The maturity beginning in 2025 is subject to optional redemption on March 1, 2024 at par.

1 The maturity beginning in 2025 is subject to optional redemption on November 15, 2024 at par.



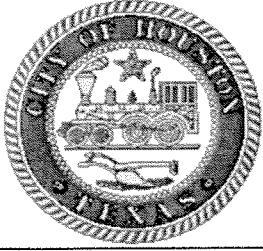
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Maturity	Principal (\$)(1)	Coupon	Indicative Yields	Takedown
11/15/2030	7,170,000			
11/15/2031	7,540,000			
11/15/2032	7,925,000			
11/15/2033	8,330,000			
11/15/2034	8,760,000			
Term Bond 2039:				
11/15/2035	9,205,000			
11/15/2036	9,680,000			
11/15/2037	10,175,000			-
11/15/2038	10,695,000			
11/15/2039	11,245,000			
Term Bond 2043:				
11/15/2040	11,820,000			
11/15/2041	12,430,000			
11/15/2042	13,065,000			
11/15/2043	13,735,000			
TOTAL	215,550,000			

Estimated Compensation (Per Bond)

Average Takedown	\$
Expenses excluding underwriters' counsel	\$
TOTAL	\$



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**NARRATIVE:**

1. Provide an organization chart and brief resumes on the person(s) who will represent your firm on this transaction. Additionally, provide a brief resume on the person(s) who will lead the actual underwriting effort. (No more than one-half page per resume)
2. Briefly describe (no more than one page) any other relevant thoughts, ideas or concerns you may have about the structure and marketing of the proposed Bond.